


<p style="text-align: center;">MEETING MEMORANDUM</p>
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TO: STEVE BISSET

FROM: TOM OVERTURF 

DATE: JANUARY 28, 1997

SUBJECT: TORRANCE - PROPOSED PHASING PLAN

Attending:

Steve Bisset and Bob Eckman (DAC)
Phil Cyburt, Merle Pautsch, Gary Powley, Mario Stavale, Tom Overturf (MDRC)
Allan Mackenzie (Mar Ventures) - Lead Entitlement/Land Economics Consultant

1. Reviewed corporate need to analyze new alternatives to accommodate DAC's extended tenancy for DADSCO, PRC, and Tooling while meeting environmental remediation requirements for Retail Site approvals as well as freeing up as much marketable land as possible for our second phase of development.
2. Proposed Phase Plan (copy attached) documents our concept in general.
 - A. Retail viability requires access to Normandie, but railroad and Public Utility Commission procedures may result in an unacceptable delay (forcing a \$350,000 penalty to Buyer).
 - B. One alternative would be the extension of 195th (which alignment lies about 60' north of Building 66) between Normandie and Western. Lockheed Martin may oppose this extension, but it would likely enhance MDRC's potential for obtaining PUC approval of the rail crossing.
 - C. Building 1 being surrounded on three sides by retail could be an impediment to environmental approval of the 45 acre retail site.
3. Thus, we are proposing a Phase II Environmental Study to determine environmental conditions within Phases II and III.
4. DADSCO's short and long term plans for future use, and location are also critical - Steve and Bob will contact their planning team to determine current status. Steve will work with Phil to set high-level meeting with George Field. Likely that this will require Motherway to get George, but early timing is critical.

5. Once DADSCO's plans are clear, Steve and Bob can establish future needs of PRC and Tooling.
6. Mario will provide Phase II environmental testing program to Bob for approval. Bob Tomko and Dan Summers will also be involved in planning and approval, but we must fast-track this work to integrate potential retail expansion into the current Risk Assessment work underway with Regional Water Board.
7. Gary Powley will be our engineering interface with DAC Facilities to coordinate cost estimating and consultant work relative to:
 - A. Building shell and system upgrades to keep buildings in service beyond the original 1998 DAC move-out period - particularly focused on Buildings 2, 4 and 66, but also Building 3 and 19 (if it makes sense to leave them from a functional need standpoint).
 - B. Utility and infrastructure costs of various site plan alternatives.
 - C. Demolition costs of Phase II, III and IV.
8. Mario will be working with environmental/legal consultants to provide parallel abatement and remediation estimates and alternatives.
9. We will need regular input from both Steve and Bob including any additional previous reports, studies, estimates, etc. as well as coordinating with current C-6 DAC tenants to define program requirements, options & costs including potential for integrating utility systems, aggregated power purchasing, etc.

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cc: Bob Eckman
Allan Mackenzie
Tom Motherway
Phil Cyburt
Mario Stavale
Merle Pautsch
Gary Powley